



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



MARIANNE UDOW
DIRECTOR

May 22, 2007

The Honorable Ron Jelinek, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48933

The Honorable George Cushingberry, Chair
House Appropriations Committee
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Jelinek and Representative Cushingberry:

Section 57u(6) of Public Act 468 of 2006 requires the Department of Human Services to notify the Senate and House appropriations subcommittees on DHS of the progress of the plan required under section 57q and its implementation progress.

DHS has formed a work group comprised of representatives from all assistance program areas including medical assistance, food assistance, child development and care, cash assistance and direct support services to analyze the impacts of implementing increased earned income disregards for cash programs. As we allow greater disregards of clients' earned income, it will impact their eligibility for other programs. Our intention is to determine what type of increased earned income disregard could be implemented that would best support families' progress toward self-sufficiency and at the same time be most cost effective for the department.

The work group will have its first meeting June 4, 2007.

If you have any questions, please contact John Sorbet, chief administrative officer, at 373-7787.

Sincerely,

Marianne Udow

- c: Senate and House Appropriations Committees
Senate and House Fiscal Agencies
Senate Majority Leader
Speaker of the House